



ANALYSIS

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1986-87, No.32

An Act to provide for a system of currency, and to make provision with respect to coinage, legal tender, bank notes, and related matters

(15 April 1987)

PART I

PRELIMINARY PROVISIONS

1. Short Title and commencement - (1) This Act may be cited as the Currency Act 1986-87.
(2) This Act shall come into force on a date to be appointed by the Minister by notice in the Gazette.
2. Interpretation - In this Act, unless the context otherwise requires:-

"Board" means the Monetary Board established by the Monetary Board Act 1981;
"Currency" means the currency provided for by Part II of this Act;
"Existing currency" means the currency of the Cook Islands as at the commencement of this Act;
"Minister" means the Minister of Finance;
"Prescribed" means prescribed by regulations made under this Act.

3. Act to bind the Crown - This Act shall bind the Crown.

PART II CURRENCY

4. Currency system established - (1) The monetary unit, or unit of currency, of the Cook Islands shall be the dollar.
(2) The denominations of money in the currency of the Cook Islands shall be the dollar and the cent.
(3) A cent is one-hundredth part of a dollar.

5. Contracts, etc., to be made in Cook Islands currency - Every sale, payment, bill of exchange, promissory note, and security for money, and every contract, agreement, deed, instrument, transaction, dealing, matter, and thing whatsoever relating to money or involving the payment of or a liability to pay any money, that is made, executed, entered into, or done in the Cook Islands after the coming into force of this Act shall be made, executed, entered into, or done according to the currency of the Cook Islands provided for by this Act, unless it is expressly made, executed, entered into or done according to the currency of a country other than the Cook Islands.

PART III

COINAGE

6. Standards for coins - The standard denominations, composition, weight and design of coins shall be as from time to time determined by the Board and published by notice in the Gazette, provided that a remedy in respect of weight (that is to say, a variation from the standard weight applicable to the coin) may be allowed as determined.

7. Issuing or authorising coins - The Board may, by notice in the Gazette:

- (a) cause to be issued any coin as legal tender; and
- (b) authorise any coin which, by virtue of the laws for the time being of New Zealand, is legal tender in New Zealand, as legal tender in the Cook Islands.

8. Calling in coins (1) The Board may, by notice in the Gazette, call in any coins of any date or denomination made and issued or authorised under this Act, or any coins bearing dates earlier than a date specified in the notice, and on the taking effect of the notice, all coins to which it applies

shall cease to be legal tender in the Cook Islands, but the Treasury Department shall continue to be liable to pay any such coin on presentation at the office of the Treasury Department, and shall be entitled to recover from the Public Account the value of any coin so paid out of monies appropriated by Parliament for that purpose.

(2) Every notice under this section shall have effect from such date as is specified in the notice in that behalf, and may at any time be revoked or altered by any subsequent notice.

9. Existing coins - The coins in the existing currency named and described in the Regulations set out in the First Schedule shall be deemed for all purposes to be coins duly issued or authorised pursuant to the provisions of this Act.

10. Prohibition of other than official coins - (1) No person shall make or issue, or cause to be made or issued, any piece of gold, silver, copper, bronze, or nickel or of any metal or mixed metal, of any value whatsoever, (other than a coin made and issued or authorised under this Act) as a coin or as a token for money or as purporting that the holder thereof is entitled to demand any monetary or other value denoted on it.

(2) The Board may in its discretion and subject to such conditions, if any, as it thinks fit, authorise the use of tokens purporting to entitle the holder thereof to demand goods or services and may at any time revoke any authority so given.

(3) Every person commits an offence and is liable on conviction to a fine not exceeding \$1,000 who wilfully acts in contravention or fails to comply with any of the provisions of this section or of any condition imposed thereunder.

11. Legal tender - (1) A tender of payment of money, if it is made in coins made and issued or authorised under this Act, and of current weight, shall be a legal tender:-

(a) In the case of coins of the denomination of \$1, or more, for the payment of any amount:

(b) In the case of coins of the denomination of 5 cents, 10 cents, 20 cents, or 50 cents, for the payment of an amount not exceeding \$5:

(c) In the case of any other coins, for the payment of an amount not exceeding 20 cents.

(2) For the purpose of this section, a coin shall be deemed to be not of current weight if it has become diminished in weight by wear or otherwise so as to be of less weight than the weight determined pursuant to section 6 as the least current weight of that coin.

(3) The references to coins in subsection (1) do not include references to coins that have been called in pursuant to this Act.

PART IVBANK NOTES

12. Issue and authorisation of bank notes by Board - (1) The Board shall have the sole right and may by notice in the Gazette -

- (a) issue bank notes as legal tender in the Cook Islands, and
- (b) authorise as legal tender in the Cook Islands any bank note which, by virtue of the laws for the time being in New Zealand, is legal tender in New Zealand.

(2) Every note so issued or authorised shall be legal tender to the amount expressed in the note.

(3) The Board shall determine the denominations, form, design, content and material of bank notes issued by it.

13. Existing bank notes - Every bank note which is a legal tender in New Zealand at the commencement of this Act shall be deemed to be legal tender in the Cook Islands as if such bank note was authorised by the Board pursuant to section 12(1)(b).

14. Calling in bank notes - (1) The Board may by notice in the Gazette call in any of the bank notes, or all bank notes of any series that have been issued or authorised under this Act, and on the taking effect of the notice, all bank notes to which it applies shall cease to be legal tender in the Cook Islands; but the Treasury Department shall continue to be liable to pay any such note on presentation at the office of the Treasury Department, and shall be entitled to recover from the Public Account the value of any note so paid out of monies appropriated by Parliament for that purpose.

(2) Every notice under this section shall have effect from such date as is specified in the notice in that behalf and may at any time be revoked or altered by any subsequent notice.

15. Bank notes may be deemed not to be in circulation

(1) The Board may by notice in the Gazette:

- (a) At any time not earlier than 20 years from the last day of issue of any particular series of bank notes, deem any notes of that series that are still outstanding to be no longer in circulation or authorised in the Cook Islands; and
- (b) At any time deem any note or series of notes authorised pursuant to section 12(1)(b) of this Act that are still outstanding to be no longer in circulation or authorised in the Cook Islands.

(2) Where, pursuant to subsection (1) any bank note is deemed not to be in circulation, the Treasury Department shall continue to be liable to pay any such note on presentation at the office of the Treasury Department, and shall be entitled to recover from the Public Account the value of any note so paid out of monies appropriated by Parliament for that purpose.

PART V
GENERAL PROVISIONS

16. Cost of coins and bank notes - The cost of all coins and bank notes made and issued under the provisions of this Act including the cost of design, manufacture, freight, insurance, and all incidental expenses, shall be paid out of the Public Account from monies appropriated by Parliament for that purpose.

17. Advisory and technical committees - (1) The Board may, appoint advisory or technical committees for the purpose of:

- (a) Making recommendations with respect to coins, bank notes and currency;
- (b) Carrying out investigations and surveys for the purpose of obtaining information for any of the purposes of this Act;
- (c) Performing such other functions in relation to the provisions of this Act as may lawfully be directed by the Board.

(2) The members of such advisory or technical committees shall be paid such remuneration, expenses and allowances as may be determined by the Board.

18. Arrangements for making and issue of coins and bank notes - The Minister, acting with the concurrence of the Board, and on behalf of the Crown, may do such things, make such arrangements and enter into such agreements in respect of the making and issue of coins and bank notes as he considers necessary to give effect to the provisions of this Act.

19. Guarantee - (1) The Cook Islands Government guarantees that the denominations of money issued pursuant to section 7(a) and section 12(1)(a) shall be equivalent in value to the denominations of money authorised pursuant to section 7(b) and section 12(1)(b), and any coins and bank notes so issued shall be freely interchangeable with those coins and bank notes so authorised at the office of the authority prescribed for that purpose or, in the absence of such authority being prescribed, at the office of the Department of Treasury of the Cook Islands Government.

(2) It shall be the duty of the Department of Treasury or such other authority as may be prescribed under subsection (1), to endeavour, within the limits of its powers, to maintain an adequate level of coins authorised pursuant to section 7(b) and bank notes authorised pursuant to section 12(1)(b), to enable the performance of its duties pursuant to the guarantee provided for in subsection (1).

20. Reports - (1) Within one month after the thirty-first day of March in every year, or as soon thereafter as may be practicable, the Board shall send to the Minister a report of its operations during the year that ended with that date.

(2) A copy of the report shall be laid before Parliament within twenty-eight days after its receipt by the Minister if Parliament is then in session, and, if not, then within twenty-eight days after the commencement of the next ensuing session.

(3) The Board shall send to the Minister such other reports relating to its operations as the Minister requires.

21. Regulations - The Queen's Representative may from time to time, by Order in Executive Council, make regulations:-

- (a) Prescribing offences in relation to the defacing reproduction or imitation of coins or bank notes and providing for penalties in respect of any such offences by way of a fine not exceeding \$2,000 or to two years imprisonment or to both such fine and imprisonment;
- (b) Providing for such other matters as are contemplated by or necessary for giving full effect to the provisions of this Act or the due administration thereof.

22. Savings - The regulations specified in the First Schedule being in force immediately prior to the coming into force of this Act shall continue in force as if made under this Act.

23. Acts Repealed - (1) The enactments set out in Part I of the Second Schedule, being enactments of the Parliament of New Zealand applied to the Cook Islands are repealed.

(2) The enactments set out in Part II of the Second Schedule are repealed.

24. Consequential amendments - The enactments specified in the Third Schedule are amended in the manner set out therein.

FIRST SCHEDULE

Regulations to continue in force (Section 21).

Coinage Regulations S.R. 1967/104
Coinage Regulations 1967 Amendment No. 1 1969
Coinage Regulations 1967 Amendment No. 2 1970
Coinage Regulations 1967 Amendment No. 3 1972
Coinage Regulations 1967 Amendment No. 4 1973
Coinage Regulations 1967 Amendment No. 5 1973
Coinage Regulations 1967 Amendment No. 6 1974
Coinage Regulations 1967 Amendment No. 7 1974
Coinage Regulations 1967 Amendment No. 8 1974
Coinage Regulations 1967 Amendment No. 9 1975
Coinage Regulations 1967 Amendment No.10 1975
Coinage Regulations 1967 Amendment No.11 1975
Coinage Regulations 1967 Amendment No.12 1976
Coinage Regulations 1967 Amendment No.14 1977
Coinage Regulations 1967 Amendment No.15 1978
Coinage Regulations 1967 Amendment No.16 1979
Coinage Regulations 1967 Amendment No.17 1981
Coinage Regulations 1967 Amendment No.18 1982
Coinage Regulations 1967 Amendment No.19 1984
Coinage Regulations 1967 Amendment No.20 1986
Coinage Regulations 1967 Amendment No.21 1986
Coinage Regulations 1967 Amendment No.22 1987

SECOND SCHEDULE

Part I

Applied enactments repealed (Section 22(1))

Decimal Currency Act 1964
Decimal Currency Amendment Act 1965
Decimal Currency Amendment Act 1967
Cook Islands Exchange Control Regulations 1948

Part II

Enactments repealed (section 22(2))

Decimal Currency Amendment Act 1973
Decimal Currency Amendment (No.2) Act 1973
Decimal Currency Amendment Act 1975
Decimal Currency Amendment Act 1976
Decimal Currency Amendment (No. 2) Act 1976

Decimal Currency Amendment Act 1978
Decimal Currency Amendment Act 1978/79
Decimal Currency Amendment Act 1980/81
Decimal Currency Amendment Act 1981/82
Decimal Currency Amendment Act 1983
Exchange Control Regulations Amendment Act 1968-69

THIRD SCHEDULE

Enactments amended (Section 23)

New Zealand Laws Act 1966: a) By repealing paragraph (c) of subsection (3) of section 4;

b) By deleting from the Second Schedule any reference to the Decimal Currency Amendment Act 1965.

New Zealand Laws Act 1968: By deleting from the first schedule any reference to the Decimal Currency Amendment Act 1967.

This Act is administered by the Monetary Board.